

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

MEETING DATE: 4/20/05

DIVISION: COUNTY ADMINISTRATOR

BULK ITEM: No – Time Approximate

DEPARTMENT: AIRPORTS

STAFF CONTACT PERSON: Peter Horton

AGENDA ITEM WORDING: Presentation by Newton & Associates, Inc. regarding the Proposed Plan of Finance for the Key West International Airport Terminal Development Program.

ITEM BACKGROUND: As discussed at previous BOCC meetings, due to FAA & FDOT funding cycles, the new Terminal Complex Project at KWIA will require bond financing. We have hired Newton & Associates (who has assisted us many times in the past) to help us with securing the bond financing.

PREVIOUS RELEVANT BOCC ACTION: Approval of Purchase Service order for Terminal Cost and Funding, March 16 2005.

CONTRACT/AGREEMENT CHANGES: N/A

STAFF RECOMMENDATION: N/A – This is a progress report.

TOTAL COST: N/A

BUDGETED: N/A

COST TO AIRPORT: N/A

SOURCE OF FUNDS: N/A

COST TO PFC: N/A

COST TO COUNTY: N/A

REVENUE PRODUCING: N/A

AMOUNT PER MONTH /YEAR:

APPROVED BY: County Attorney N/A

OMB/Purchasing N/A

Risk Management N/A

AIRPORT DIRECTOR APPROVAL _____


Peter J. Horton

DOCUMENTATION: Included X

Not Required

AGENDA ITEM # _____

DISPOSITION: _____

PROPOSED PLAN OF FINANCE

Key West International Airport Terminal Development Program



ESTIMATED PROJECT COSTS

- Terminal & Roadways \$22,105,000
- Parking \$ 7,340,000
- Passenger Facility Charge (PFC)
Program Costs \$ 370,000
- Total Estimated Cost \$29,815,000



FINANCING STRATEGY

- Realize the Best Facilities at the Lowest Possible Cost
- Obtain Maximum Federal, State and County Funding
- Issue Airport Revenue Bonds as Interim Funding Source
- Accelerated Payment of Bonds with Grant Funds and PFCs



Grant/County Funding Assumptions

• Airport Improvement Program (AIP) Total	\$6,900,000
– Three Year's Entitlements @	\$2,300,000 ea.
• \$6,900,000 Applied to Terminal & Roadways	
• Florida Dept. of Transportation (FDOT) Total	\$6,250,000
• \$3,910,000 Applied to Terminal & Roadways	
• \$2,340,000 Applied to Parking	
• County Funds	\$5,000,000
• \$5,000,000 Applied to Parking	
• Total Grant/County Funding	\$18,150,000



AIRPORT REVENUE BONDS

- Necessary to Bridge Grant Funding Gap
- Variable Rate Demand/Auction Rate
 - Low Interest Cost
 - Early Retirement Flexibility
 - Accelerated Repayment of Bonds Commensurate With Grant & Other Funds Realized.
- Tax Exempt Series



ESTIMATED

BOND SOURCES & USES

• Construction Costs	\$22,105,000
• Financing Costs	\$8,064,634
– Interest During Construction	
– Debt Service Reserve Fund	
– Rolling Debt Service Coverage	
– Bond Insurance	
– Professional Costs	
• Total Bond Proceeds	\$30,169,634



PASSENGER FACILITY CHARGE (PFC) PROGRAM

- PFC Application Process Underway \$50,000,000
- PFC Level Per Enplaned Passenger \$4.50
- Annual PFC Collections \$1,300,000
 - Increasing each year commensurate with passenger increases
- Annual Bond Debt Service \$1,300,000
 - Decreasing each year commensurate with principal reduction



DEBT REPAYMENT SCENARIOS

- Conservative - 30 Years
 - No AIP or FDOT Funds For Terminal and Roadways
- Moderate - 20 Years
 - AIP& FDOT Funds @ \$10,810,000 for Terminal and Roadways
- Aggressive - Less than 20 Years
 - Dependant upon future AIP Entitlement Grants



RECOMMENDED ACTION

- Assemble Financing Team
 - County Counsel
 - Financial Advisor
 - Bond Counsel
 - Airport Financial Consultant
 - Underwriter/Underwriter's Counsel
- Proceed With Diligence to Meet Schedule



DOCUMENT DEVELOPMENT PROCESS

- Bond Resolution/Indenture/Order
- Report of the Airport Consultant
- Official Statement
- Tax Opinion
- Historical Audited Financials
- Other



QUESTIONS?

